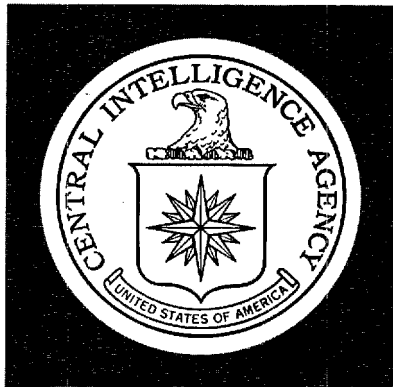


Top Secret

25X1
25X1



DIRECTORATE OF
INTELLIGENCE

Pres

Central Intelligence Bulletin

State Department review completed

Top Secret

197

28 September 1968

25X1

Approved For Release 2004/03/11 : CIA-RDP79T00975A012200060002-8

Approved For Release 2004/03/11 : CIA-RDP79T00975A012200060002-8

28 September 1968

25X1

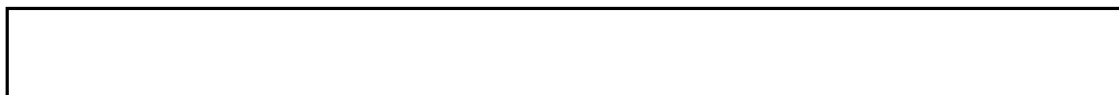
Central Intelligence Bulletin

CONTENTS



25X1

Panama: Coup threat apparently has subsided.
(Page 3)



25X1



25X1

25X1

Approved For Release 2004/03/11 : CIA-RDP79T00975A012200060002-8

Next 2 Page(s) In Document Exempt

Approved For Release 2004/03/11 : CIA-RDP79T00975A012200060002-8

Panama: The possibility of a military attempt to keep President-elect Arias from taking office next Tuesday appears to have subsided for the moment.

A compromise agreement reached yesterday between Arias and national guard Commandant Vallarino was accepted by a dissident group of senior guard officers who had angrily opposed Arias' reported plans to dismiss a number of them shortly after the inauguration.

According to the terms of the agreement, General Vallarino will step down by 14 October to accept an assignment in Washington as military adviser to Panama's canal treaty negotiating team. Second Commandant Pinilla then would succeed Vallarino for an interim period of several weeks before retiring and turning the top post over to Third Commandant Urrutia, Arias' original choice for the job. Meanwhile, Arias and Vallarino will "work together" on internal changes within the guard--a process which may well cause further strains between the two men.

Despite Arias' conciliatory gesture, guard leaders are still suspicious of his intentions and remain alert. Any move that appears to threaten their interests or breach the current understanding would probably result in renewed coup plotting.

In assessing the situation on the eve of the inauguration, the US Embassy believes that the present easing of tensions between Arias and the guard should permit the ceremonies to proceed as scheduled. Although some isolated acts of violence are possible, no serious threat to a peaceful presidential transition is anticipated.

25X1

Approved For Release 2004/03/11 : CIA-RDP79T00975A012200060002-8

Next 3 Page(s) In Document Exempt

Approved For Release 2004/03/11 : CIA-RDP79T00975A012200060002-8

25X1

Top Secret Approved For Release 2004/03/11 : CIA-RDP79T00975A012200060002-8



Top Secret